

## Issue 97: INSIDER'S EDGE: Tax Time! Who Needs to Use IRS Form 1095-A?

Love it or hate it, tax season is now upon us!

### **WAIT! DON'T CLOSE THIS E-MAIL!**

Guidance issued by the IRS may be complicated, but today's issue is simple!



*Don't worry, I promise this will be brief!*

### **The Basics: The Individual Mandate**

Under the ACA's individual mandate, everyone under sixty-five **MUST** have health coverage—either through Medicaid or another insurance plan. Individuals who elected *not* to get health insurance in 2014 may face a tax penalty.

For the first time, consumers must indicate whether they had health care coverage in 2014 when they file their taxes. Individuals using the IRS Form 1040 will indicate whether they had coverage on Line 61.

### **The Details: Proving Coverage in 2014**

Only individuals who were enrolled in a qualified health plan (QHP) will be required to provide proof of coverage in 2014. Medicaid recipients can self-attest that they received coverage through the Medicaid program simply by checking a box on their tax form. Additional documentation is not required.

#### **QHP Enrollees**

If anyone in a consumer's household enrolled in a QHP through Maryland Health Connection in 2014, they will get a Form 1095-A in the mail from Maryland Health Connection. This form was mailed by January 31, 2015. The information on Form 1095-A must be used by the taxpayer to fill out Form 8962 to calculate how much tax credit individuals are eligible to receive.

#### **Everyone Else**

Consumers who had Medicaid coverage in 2014 will **not** receive a Form 1095-A. Additional proof of coverage is **not required** to complete a tax return.

I know you're thinking, "Really, Marge?" Yes! Really, it's that simple! If a consumer had health coverage from another source, like a job, Medicare, Medicaid or a plan they bought outside Maryland Health

Connection, they can report this by checking the box indicating they had coverage on their federal income tax form.

Seriously, this might be the easiest part of filing taxes in 2014!

### **Looking Ahead: IRS Form 1095-B**

Beginning in **January 2016**—Medicaid will be required to issue IRS Form 1095-B to all recipients who were enrolled in coverage in 2015. Stay tuned, more information on this process will be available in the future!

### **Additional Resources**

- Maryland Health Connection has some great FAQs about the IRS Form 1095-A, “Health Coverage and Your 2014 Taxes”, <https://www.marylandhealthconnection.gov/2014taxes/>
- For more information on the individual mandate and what counts as minimum essential coverage, see *Issue 23: INSIDER’S EDGE: Don’t forget your health insurance!*
- For more information on seeking an exemption from the individual mandate, see *Issue 49: INSIDER’S EDGE: Seeking an exemption from the individual mandate*

**See, that wasn’t too bad! See you next week.** Questions in the meantime? Send them to [dhmh.medicaidmarge@maryland.gov](mailto:dhmh.medicaidmarge@maryland.gov).